

to you, or for any other purpose?

Q. Did you ever see any of these?

A. I never saw even one of them.

Q. Because it is something that is not one of us.

A. It is a number of related plans of individual structures.

Q. Within a building?

A. Did you see any of the plans of any of the related

plans of any of the buildings?

A. None, except the plot plan, and subsequent to it, the one

made certain notes, but not of the plans, except the notes of

these two (indicating) particular plot plans here.

Q. Now, when Mr. Stadelman made this notation, referring to

the notation stating, "This is a copy of original drawings

which was drawn 1-12-46," and signed "Stadelman, L. H. W.," did

you make any inquiry of Mr. Stadelman as to what he meant by

that?

A. No, because he exhibited that drawing to us, which was

similar to this (indicating) drawing here, and showed us where he

had erased the faint lines.

Q. THE COMMISSIONER: Exhibit 3, you are talking about?

A. THE WITNES: That is correct.

Q. MR. BAUTZER: He said "which was similar".

Q. (By Mr. Kiener) He did exhibit another drawing other than

these two drawings?

A. No—wait a minute.

Q. THE COMMISSIONER: You mean it was another print?

Q2

Exhibit 3, Exhibit 4

Exhibit 1, Exhibit 2, Exhibit 3, Exhibit 4

Q3

Q4

Q5

Q6

Q7

Q8

Q9

Q10

Q11

Q12

Q13

Q14

Q15

Q16

Q17

Q18

Q19

Q20

Q21

Q22

Q23

As a result, the lines of the other 100,000,000

10-11-68

loss of the building represented by these lines in Exhibit 3

been erasures?

told us, and my understanding of him doing his original drawing

it into what was now represented as Exhibit A. That is, it was

as the buildings are concerned.

Now, you state the Exhibit 3 is a copy of the other exhibit.

... of the other plot plan that Mr. Stadelman showed to you.

except that the other plot plan that Mr. Stadelman showed to

you, showed the erasures where we have the portion of the

building marked "C" and "L-1" on Exhibit 3. Is that correct?

Similar to that; yes. I can't state that it is the same

ne that is made from here, not being an architect. It looks

Similar, I can tell you this: that the drawings of Mr.

tadelmen, from a layman's standpoint, looked exactly ar

similar to this (indicating) as far as your on-lines are con-

erned, except he had erased certain markings on the plan

Were those markings transferred to any other part of the

Stedelman raised after the portion of the building known as "C"

Q Now, I believe you said that you saw a plan of the building?

A

Q Now, I believe you said that you saw a plan of the building?

A Yes, I saw a plan of the building.

Q Now, I believe you said that you saw a plan of the building?

A Yes, I saw a plan of the building.

Q Now, I believe you said that you saw a plan of the building?

A

Q Now, I believe you said that you saw a plan of the building?

A

Q Now, I believe you said that you saw a plan of the building?

A Yes, I saw a plan of the building.

Q Now, I believe you said that you saw a plan of the building?

A Yes, I saw a plan of the building.

Q Now, I believe you said that you saw a plan of the building?

A Yes, I saw a plan of the building.

Q Now, I believe you said that you saw a plan of the building?

A

by (c) and (d) per desk. If any others

in the same category, please submit them.

as the present number of prints is not of value

to you.

What is the name

of the person who

made the print?

es

Is it one of the two in evidence, or of a similar type?

That is correct.

It is a duplicate of the print represented by Exhibit No.

which has been submitted, and is a duplicate of the

print of the Construction Company for Walker and Greenham,

on March 21, 1946.

Mr. Nichols, the inspector, exhibited such a print to us

and told us if there had been any change since Clark County

required that up-to-date prints be submitted.

What is your experience in the construction business?

Well, I have worked on this type of work for approximately

four years for the government, and I have done considerable

by the following information:

1. I have assisted in the reference of the experience
in the construction of the building which you designate as
2. I have observed that portion of the building which you designate as
3. I have never seen the plans on that building.

4. I have observed that portion of the building.
5. As at the present time the only building material that
is evidenced is steel and concrete.

6. That type of construction could you say it is
7. It would probably be classed as Class A.

8. That would you say about that portion of the building which
you designated on the plot plan as "A"?

9. That construction could probably be classed as Class B
construction. I am saying that just from observation.

10. From your experience in the construction business, you say
that that portion of the building which you designate as "A"

...the
... ..
... ..

(The copy of the telegram
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Reflected in the

the original plan for the construction of the

the original plan for the construction of the

could also be used in a number of other ways

the construction company, which is the same

the construction company, which is the same

disposition that is being made, and is being

respondents, by the way, in order to make the

company.

the construction company, which is the same

the construction company, which is the same

the construction company, which is the same

the construction company, which is the same

the construction company, which is the same

PART 4700—VETERANS' EMERGENCY HOUSING PROGRAM

[Veterans' Housing Program Order 1]

GENERAL RESTRICTIONS ON CONSTRUCTION AND REPAIRS

The Veterans' Emergency Housing Program, set forth February 7, 1946, by the Housing Expediter in his report to the President, calls for the construction of an unprecedented number of moderate and low-cost housing accommodations to meet the needs of returning veterans. The fulfillment of requirements for the defense of the United States has created a shortage in the supply of materials and facilities required for construction, for defense, for private account and for export. It will be impossible to carry out the Veterans' Emergency Housing Program without diverting critical materials from deferrable or less essential construction. The following order is deemed necessary and appropriate in the public interest and to promote the national defense.

§ 4700.1 Veterans' Housing Program Order 1—(a) What this order does. In order to carry out the Veterans' Emergency Housing Program, this order forbids the beginning of construction and repair work on buildings and certain other structures without specific authorization under paragraph (h) of the order, with the exception of certain small jobs and other work covered by paragraphs (d), (e) and (f). The restrictions of the order apply whether or not the materials needed are on hand or are available without priorities assistance.

(b) Structures and work covered by this order—(1) Kinds of structures. The restrictions of this order apply to certain kinds of work on structures. As used in the order, "structure" means any building, arena, stadium, grandstand, pier, moving picture set or billboard, whether of a permanent or temporary nature (however, the erection of stands or other structures which have been used before and are being erected only for a temporary purpose and are to be taken down after the temporary purpose is served is not covered by the order). The term "structure" does not include roads, streets, sidewalks, railroad or street car or interurban or plant railway tracks or operating facilities (other than buildings), fences, silos, trailers (except when demounted and installed on a foundation), bridges, tunnels, subways, pipe lines, utility facilities (except buildings) providing for electric, gas, sewerage, water, central steam heating or telephone or telegraph communication services including power or utility lines and sewers, surface or underground mines, wells, dams, canals or drainage or irrigation ditches. The term "structure" also does not include anything that is not attached to the land or to a structure as defined above or any kind of equipment installed outside of

and not attached to a building or other structure.

(2) Kinds of work. The restrictions of this order apply to constructing, repairing, making additions or alterations (including alterations incidental to installing any kind of equipment), improving or converting structures, or installing or relocating fixtures or mechanical equipment in structures. These terms include any kind of work on a structure which involves the putting up or putting together of processed materials, products, fixtures or mechanical equipment, if the processed materials, products, fixtures or mechanical equipment are attached to the land, or are attached to a structure and used as a functional part of the structure, or are attached so firmly to the land or structure that removal would injure the material, product, fixture or mechanical equipment or the structure. The laying of asphalt or other tile or linoleum cemented or otherwise attached to the structure is covered by the order. However, repainting, repapering and sanding floors and greasing, overhauling, repairing or installing repair or replacement parts in existing mechanical equipment in all types of structures, where no change in the structure is made, are not covered by the order.

(3) Fixtures and mechanical equipment. The term "fixture" means any article attached to a building or structure and used as a part of the building or structure. The term "mechanical equipment" means any equipment which is used to operate a building or other structure. The following items are included within the phrase "fixtures and mechanical equipment" if they are attached to the building or structure in any of the ways indicated later in this paragraph: plumbing, heating, ventilating and lighting equipment, panelling, bookcases, bars, soda fountains, show cases, booths, wood or metal partitions, counters, and the like. These articles are considered to be attached to a building or structure if they are attached by nails or screws to the building, if they are connected to the plumbing or other piping system of the building, if they are connected to the lighting system of the building (except by connection to an existing outlet), or if a base or foundation is built for the item, or if the item is cemented to the building or structure. The phrase "fixtures and mechanical equipment" does not include the following: machine tools, blast furnaces, conveyors, elevators, process piping, control or testing equipment used for industrial or utility purposes or in a laboratory, power generating or transmitting equipment, such as boilers, generators, transformers, and the like (however, where the purpose of boilers, transformers and similar equipment is primarily to provide electricity or steam for lighting or heating the building in which they are installed they would be mechanical equipment), medical equipment in a hospital, washing machines or dryers in a commercial laundry, compressors or

cooling equipment in a cold storage warehouse or frozen food locker plant, gas line pumps and hydraulic lifts in a garage or service station, and stoves, refrigerators (other than refrigerators constructed as an integral part of a building), food-warming equipment and dish washing equipment in a restaurant.

(c) Prohibited construction. (1) No person shall begin to construct, to repair, to make additions or alterations to improve, to convert from one purpose to another, or to install or to relocate fixtures or mechanical equipment, in any structure, public or private, in the forty-eight States, the District of Columbia, Puerto Rico or the Virgin Islands, except to the extent permitted under paragraphs (d), (e) and (f), or when and to the extent specifically authorized under paragraph (h). No person shall carry on or participate in any construction, repair work, addition, improvement, conversion, alteration, installation or relocation of fixtures or mechanical equipment prohibited by this order. The prohibitions of this paragraph apply to a person who does his own construction work, to a person who gets a contractor to do the work, to contractors, sub-contractors, architects and engineers working on a job which is being carried on in violation of this order or getting others to work on it or to supply materials for it.

(2) This order forbids the beginning of certain kinds of work. To "begin" work on a structure means to incorporate into a structure on the site materials which are to be an integral part of the structure in question. Demolition, excavation and similar site preparation do not constitute beginning construction. The order does not apply to work which was begun before March 26, 1946, and which was being carried on that date and which is carried on normally after that date. However, this rule only applies to the particular building or other structure begun before March 26, 1946. It does not apply to any other building or structure which had not itself been begun by that date even though the two are closely related.

(d) Exemption for small jobs. (1) This order does not restrict a construction, repair, alteration or installation job, the cost of which does not exceed the allowance given below for the particular kind of structure involved:

(i) \$400 for a house or other structure (such as a garage) on residential property designed for occupancy by five families or less. This allowance also applies to farmhouses and other housing accommodations on farms, except bunkhouses and other accommodations for transient farm laborers.

(ii) \$1,000 for a hotel, resort, apartment house, or other residential building designed for occupancy by more than five families.

(iii) \$1,000 for a building used primarily for one or more commercial or service establishments such as offices, banks, stores, laundries, garages, restaur-

ants, night clubs, theaters, repair shops, warehouses, frozen food locker plants and radio stations.

(iv) \$1,000 for a farm, excluding farm-houses which are covered by paragraph (d) (1) (i) above. A farm means a place used primarily for raising crops, live-stock, dairy products or poultry for the market.

(v) \$1,000 for a church, hospital, school, college or a publicly owned building used for public purposes, or for an orphanage or other building used exclusively for charitable purposes.

(vi) \$15,000 for a factory, plant or other industrial structure which is used for the manufacturing, processing, or assembling of any goods or materials, for a logging and lumber camp, for a pier (other than a pier designed for amusement, entertainment or commercial purposes), for a structure used for or in connection with a railroad or street railway, or a commercial airport, for a bus terminal, for a truck terminal operated by a common or contract carrier by truck, or for a research laboratory or pilot plant or for a motion picture set. This allowance is applicable to structures used for oil, gas or petroleum producing, refining, or distributing (except service stations and garages which are covered by paragraphs (d) (1) (iii) above). It is also applicable to utility structures (public or private) providing for electric, gas, sewerage, water, central steam heating, or telephone or telegraph communication services.

(vii) \$200 for a structure covered by this order which does not fall within one of the classes listed above.

(2) For the purpose of determining whether a particular job is exempted from this order by paragraph (d), the "cost" of a job means the cost of the entire construction job as estimated at the time of beginning construction. This includes the cost of paid labor engaged in the construction work, regardless of who pays for it, the cost or value of new fixtures, mechanical equipment and materials incorporated in the structure, whether or not obtained without paying for them, and the amount paid for contractors' fees. It does not include the cost or value of previously used fixtures, mechanical equipment and materials, the value of unpaid labor, or the cost or value of machinery and equipment (other than mechanical equipment) or the cost of labor engaged in assembling and installing the machinery and equipment.

(3) For the purpose of this exemption, a related series of operations which are performed at or about the same time or as part of a single plan or program constitute a single job. No job which would ordinarily be done as a single piece of work may be sub-divided for the purpose of coming within this exemption. When a building or part of a building is converted from one purpose to another, all work incidental to and done in connection with the conversion must be counted as one job. So also if a building is being renovated, improved or modernized over an extended period, all work done in connection with the modernization (other than work done before March 26, 1946) must be considered as part of

b, even though separate contracts are for the different parts of the work. The definition of a job given in this paragraph may not be used in determining whether construction has started prior to the issuance of the order under paragraph (c) (2).

(4) If a structure is used for more than one purpose and might therefore fall within more than one of the classes indicated, the use to which the greatest part of the structure will be put (computed on the basis of the floor area where applicable) determines the allowance. If a structure is being converted from one purpose to another, the allowance applicable to the structure after the conversion is the maximum allowance for the conversion. The allowances given for jobs on a structure apply to all subordinate or related structures situated near and used in connection with the structure.

(e) *Exemption for repair and maintenance work in industrial, utility and transportation buildings and structures.* The prohibitions of this order do not apply to maintenance and repair work in structures covered by paragraph (d) (1) (vi) of this order. For the purpose of the exemption given by this paragraph, "maintenance" means the minimum upkeep necessary to keep a structure in sound working condition and "repair" means the restoration of a structure to sound working condition when the structure has been rendered unsafe or unfit for service by wear and tear, damage, failure of parts, or the like. However, neither maintenance nor repair includes the improvement of any structure by replacing material which is still usable with material of a better kind, quality or design. No maintenance or repair work which is capitalized by the person doing the maintenance or repair work may be performed under this exemption. Alterations to a building or other structure covered by paragraph (d) (1) (vi), including alterations incidental to installation of equipment, are not exempted by this paragraph, even though they are not capitalized, and may only be done when and to the extent permitted under paragraph (d) or when specifically authorized.

(f) *Other exemptions.*—(1) *Disasters.* (i) The prohibitions of this order do not apply to the minimum work necessary to prevent more damage to a building or structure (or its contents) which has been damaged by flood, fire, tornado, or similar disaster. This does not include the restoration of the structure to its former condition.

(ii) The prohibitions of this order do not apply to the repair, rebuilding or reconstruction of any house (including a farmhouse) or any farm building which was destroyed or damaged by fire, flood, tornado or similar disaster, if the total cost of the repairs, rebuilding or reconstruction does not exceed \$6,000 and if the reconstruction is started within sixty days of the occurrence of the disaster.

(2) *Military construction.* The prohibitions of this order do not apply to work by or for the account of the U. S. Army or Navy.

(3) *Veterans' Administration.* The prohibitions of this order do not apply

to work on construction projects of the Veterans' Administration, including projects being built by the Corps of Engineers for the Veterans' Administration, or to the remodeling of a building or any part of a building which has been leased to the Veterans' Administration or to Public Buildings Administration for occupancy or use by the Veterans' Administration.

(g) *Prohibited deliveries.* No person shall accept an order for, sell, deliver or cause to be delivered materials which he knows or has reason to believe will be used in work prohibited by this order.

(h) *Authorizations.* Persons who wish to begin work which is prohibited by this order may apply for authorization. If the application covers housing accommodations under Priorities Regulation 33 (including farm dwellings), it should be made on Form CPA-4386. Applications for nonfarm housing accommodations should be filed with the local office of the Federal Housing Administration. Applications covering housing accommodations on a farm should be filed with the appropriate County Agricultural Conservation Committee. The assignment of ratings for or approval of housing accommodations under Priorities Regulation 33, whether before or after the issuance of this order, constitutes an authorization under this order to do the work for which priority assistance or approval was given under that regulation. If the application covers work on a farm (other than farm dwellings), the application should be made on Form CPA-4423 and should be filed with the appropriate County Agricultural Conservation Committee. If work on any other kind of structure is involved, the application should be filed on Form CPA-4423 with the appropriate Construction Field Office of the Civilian Production Administration. Applications will be reviewed to see whether and how much the proposed construction would interfere with the Veterans' Emergency Housing Program. In addition, the essentiality of the proposed work in relation to the Veterans' Emergency Housing Program, to the elimination of a bottleneck to the reconversion of the national economy from a wartime to a peacetime basis, to the public health and safety of the community, or to eliminate an unusual and extreme hardship will be taken into consideration in determining whether the application should be approved. In case of emergency, a request for authorization may be made by telegram to the appropriate Civilian Production Administration Construction Field Office. The telegram should state the nature of the emergency (fire, flood, etc.), the use to which the building will be put, the type of construction, the estimated cost of construction and the reasons why immediate reconstruction is necessary.

(i) *Construction under authorizations.* When a person is specifically authorized, either by approval of Form CPA-4423 or Form CPA-4386 or otherwise, to do work restricted by this order, he must observe the restrictions imposed on him by the authorization, and in doing the authorized work, he must not do any work of the kinds covered by the order unless it is specifically covered by the authoriza-

tion. He may not, in connection with a job which has been specifically authorized, do additional work under the exemption given by paragraph (d). When an application on Form CPA-4423 has been approved a placard will be sent to the applicant stating that the construction has been approved under this order. The applicant must place in the placard the project serial number and must set up the placard in front of the project site in a conspicuous location within five days after construction has been started and he must keep the placard there until completion of the work.

(j) *Violations.* Any person who will-

fully violates any provision of this order or who, in connection with this order, wilfully conceals a material fact or furnishes false information to any department or agency of the United States is guilty of a crime, and upon conviction may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of, or from processing or using material under priorities control, and may be deprived of priorities assistance.

(k) *Communications.* All communications concerning this order should be addressed to the Civilian Production Ad-

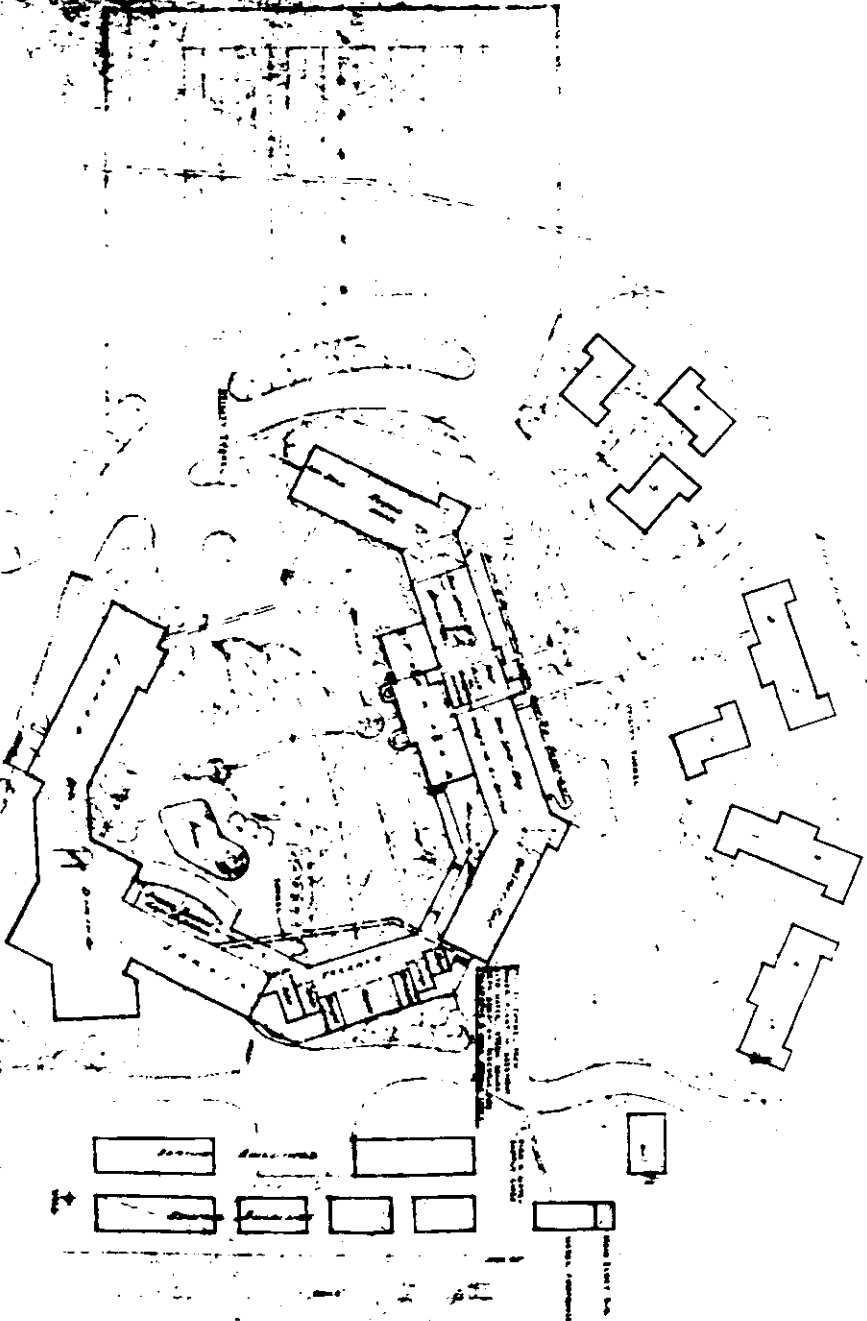
ministration, Washington 25, D. C., Room VHP-1.

(l) *Reports.* All persons affected by this regulation shall file such reports as may be requested by the Civilian Production Administration, subject to the approval of the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Issued this 26th day of March 1946.

CIVILIAN PRODUCTION
ADMINISTRATION,
By J. JOSEPH WHELAN,
Recording Secretary.

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WASHINGTON, D.C. 20535	
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REMARKS	

FEDERAL BUREAU OF INVESTIGATION
U S DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

SEP 11 1946

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DATE 10/30/85 BY SP-7 mwt/ab

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

2015 GMT 9-11-46 FROM SAN DIEGO 111910 TO WASHINGTON GR 215

✓ DIRECTOR

BENJAMIN BUGS SIEGEL COMMA MISCELLANEOUS PERIOD FORWARD
AIR MAIL TWO PHOTOGRAPHS EACH OF BENJAMIN BUGS SIEGEL AND
LUCKY LUCIANO PERIOD MURPHY

TOR 1945 FJE 11TH

PSE ACK AND HOLD EWSS

END MD GMT 2015

Retyped by NT

*San Diego (air mail)
with 500000
cc - Los Angeles
9-17-46*

RECORDED

INDEXED

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EX-8 29 SEP 19 1946

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44 NOV 16 1964

EX-8

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64-01511-188
September 17, 1946

SAC, San Diego

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ALL INFORMATION CONTAINED
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OTHERWISE

BENJAMIN "BUGS" SIEGEL
MISCELLANEOUS - INFORMATION CONCERNING
CRIME SURVEY

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY SLIP

SLIP Class
DATE 11/14/85

In compliance with your teletype request of
September 11, 1946, there are enclosed two photographs
each of Benjamin "Bugs" Siegel, [redacted] and Charles
Luciano, [redacted]

b6

[redacted] (C)

b1

Enclosure

AIR MAIL

cc - Los Angeles

CLASSIFIED BY: SP-7 mac/bs
DECLASSIFY ON: OADR
10/30/85

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Coffey _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Egan _____
Mr. Gurnea _____
Mr. Hendon _____
Mr. Pennington _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

~~CONFIDENTIAL~~

96

~~CONFIDENTIAL~~

F.B.I. TELETYPE

Mr. Tolson _____
 Mr. E. A. Tamm _____
 Mr. Clegg _____
 Mr. Glavin _____
 Mr. Ladd _____
 Mr. Nichols _____
 Mr. Rosen _____
 Mr. Tracy _____
 Mr. Carson _____
 Mr. Egan _____
 Mr. Gurnea _____
 Mr. Harbo _____
 Mr. Hendon _____
 Mr. Pennington _____
 Mr. Quinn Tamm _____
 Mr. Nease _____
 Miss Gandy _____

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 EXCEPT WHERE SHOWN
 OTHERWISE

WASHINGTON FROM LOS ANGELES 17 18 8-20 PM AAH

DIRECTOR URGENT

BENJAMIN QUOTE BUGS UNQUOTE SIEGEL, MISC., INFORMATION CONCERNING,
 CRIME SURVEY. TECHNICAL SURVEILLANCE REINSTITUTED 4:00 P.M. TODAY
 ON LAS VEGAS CLUB, LONG DISTANCE LINES NUMBER 1, 2, 3, AND 4.
 THESE SURVEILLANCES RESPECTIVELY

~~CONF. INFT.~~

OSTHOLTHOFF

RECEIVED: [REDACTED] 12:30 AM EST MW

RECORDED & INDEXED

CLASSIFIED BY: [REDACTED]
 DECLASS. ON: [REDACTED]

BADR

10/30/83

125

5-21

162-81518 189

[REDACTED] (C) b1

[REDACTED] b7c

CC: [REDACTED]

~~CONFIDENTIAL~~

b1 97

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. A. Rosen
 FROM : [REDACTED] b7c

DATE: September 16, 1946

Call 12:40 P.M. -
 9/14/46

SUBJECT: BENJAMIN "BUGS" SIEGEL
 MISCELLANEOUS -
 INFORMATION CONCERNING

ALL INFORMATION CONTAINED
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 DATE 10/30/85 BY SP-7 MCT/STC

Mr. Tolson
 Mr. E. A. Tamm
 Mr. Clegg
 Mr. Coffey
 Mr. Glavin
 Mr. Ladd
 Mr. Nichols
 Mr. Rosen
 Mr. Tracy
 Mr. Carson
 Mr. Egan
 Mr. Gurnea
 Mr. Hendon
 Mr. Pennington
 Mr. Quinn Tamm
 Tele. Room
 Mr. Nease
 Miss Gandy

Mr. Ostholthoff advised that in view of the ruling of [REDACTED] to the effect that the project in connection with the construction of the Flamingo Hotel, Casino, etc., by Siegel and his associates really constituted one building, the CPA planned no further action. Mr. Ostholthoff stated that [REDACTED] CPA at San Francisco, has advised that he will not be in a position to make available the transcript of the testimony at the recent hearing until he obtains authority from [REDACTED] at Washington. b7c

Mr. Ostholthoff was advised that if any difficulty or delay were encountered in obtaining this transcript he should immediately communicate with the Bureau so that arrangements could be made to have the transcript made immediately available.

Mr. Ostholthoff stated that he did not know whether the Bureau should proceed with the phase of the investigation concerning a possible CPA violation in connection with the construction of the Flamingo Hotel in view of the adverse decision rendered by [REDACTED]. He was instructed to arrange to have the transcript immediately reviewed for the purpose of determining if any statements made by witnesses could possibly constitute a violation of the Perjury Statute. He advised that he will immediately do this and submit a letter to the Bureau with his recommendations and observations. b7c

He stated that it might be possible in investigating the construction of the Flamingo Hotel to run the money invested by Siegel and his associates back to its original sources but that such investigation would necessitate open inquiries. He stated that at present open inquiries would not be made but as soon as he had an opportunity to read and analyze the testimony before [REDACTED] he would determine the advisability of requesting authority for making open inquiries. b7c

He commented that he had noticed an article in Variety Magazine to the effect that the U. S. Attorney at Seattle had stopped construction of a \$100,000 theater building for violation of CPA regulations. Mr. Ostholthoff will arrange through the Seattle Office to obtain complete details concerning this matter inasmuch as it was not previously known that the U. S. Attorneys had handled litigation in connection with CPA violations. RECORDED

Mr. Ostholthoff's attention was called to the necessity of continuing to handle this investigation in the most expeditious manner possible and of the desirability of requesting Bureau authority telephonically when the exigencies of the case necessitated. 62-1511-190

63 11

98

Mr. A. Rosen

Mr. Ostholthoff requested a review be made of Bureau files concerning the American Distillery Company as information had been received indicating the possibility that some of the money of this company was invested in the Siegel project. A review is being made of the Bureau's files in connection with the American Distillery Company.

cc Mr. Foxen
[REDACTED]
bx 10

NOT STRESS PERSON FOR COOPERATION OF ORIGINAL REQUEST FOR
MANUSCRIPT IS THAT HE BELIEVES THAT IN THE END HE WOULD
EMPLOY FULL RESOURCES AND WOULD BE PRICED TALANT TO DEFEAT
CRA EAST. SUBJECT WOULD DO SO BECAUSE HE WOULD HAVE
MORE AUTHORITY AND INTEREST THAN

STATES
TO DELAY IN CONSIDERING THE DECISION BY THE ALSO CONSIDERED
DECISION
STILL

FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

SEP 17 1946

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DATE 10/30/85 BY SP-7 MAC/BJA

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Egan _____
Mr. Gurnea _____
Mr. Harbo _____
Mr. Hendon _____
Mr. Pennington _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

CONF TWO STATIONS WASH1 AND SANF1 FROM LOSA 17 10-58 AM
DIRECTOR ATTENTION ASST. DIRECTOR ROSEN AND SAC URGENT
BENJAMIN "BUGS" SIEGEL, MISC., INFO CONCERNING, CRIME SURVEY

[REDACTED]
[REDACTED] ADVISED QUOTE THEM UNQUOTE AT HEARING
SEPT, TWELVE LAST THAT HE BEEN INTERVIEWED BY F.B.I. [REDACTED]
STATED IF HE, [REDACTED] HAD KNOWN OF F.B.I. INTEREST IN PER
JURY AT FIRST HEARING HE QUOTE WOULD NOT HAVE SLEPT FOR SIX
WEEKS UNQUOTE. HOWEVER, HE BELIEVES PERJURY HAS BEEN CLEAR-
ED UP BY ADDITIONAL TESTIMONY AT SEPT. TWELVE HEARING AND
THEY NOW HAVE NOTHING TO WORRY ABOUT.

OSTHOLTHOFF

PLS ACK

62 + 815-18-193

32 SEP 24 1946

RECORDED

EX - 31

cc Mr. Rosen

59 SEP 26 1946

INVESTIGATION CONTINUING. ADVISE THE FBI REQUESTED TO CONDUCT APPROPRIATE INVESTIGATION WHEN MORE SPECIFIC INFO OBTAINED RE: [REDACTED] HANSEN.

RECORDED

CONFIDENTIAL

END

END

b7c
103

~~CONFIDENTIAL~~

F.B.I. TELETYPE

Mr. Tolson _____
 Mr. E. A. Tamm _____
 Mr. Clegg _____
 Mr. Glavin _____
 Mr. Ladd _____
 Mr. Nichols _____
 Mr. Rosen _____
 Mr. Tracy _____
 Mr. Carson _____
 Mr. Egan _____
 Mr. Gurnea _____
 Mr. Harbo _____
 Mr. Hendon _____
 Mr. Pennington _____
 Mr. Quinn Tamm _____
 Mr. Nease _____

WASH FROM LOSA 2

1:00 PM

DIRECTOR URGENT

ALL INFORMATION
 HEREIN IS UNCLASSIFIED
 EXCEPT WHERE SHOWN
 OTHERWISE

BENJAMIN QUOTE BUGS UNQUOTE SIEGEL, MISCELLANEOUS INFORMATION.
 CONCERNING, CRIME SURVEY. TEL-MIKE SURVEILLANCE RE-INSTITUTED
 8 A. M. TODAY ON ROOM 412 LAST FRONTIER HOTEL, LAS VEGAS, NEVADA.
 THIS SURVEILLANCE WILL BE DESIGNATED

HOOD

RECEIVED

5:18 PM EST

MM

CLASSIFIED BY
 DECLASSIFY ON:

ADR

RECORDED

EX - 20

~~CONFIDENTIAL~~

FEDERAL BUREAU OF INVESTIGATION
U S DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

SEP 20 1946

TELEMETER

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/30/85 BY SP-7 mac/bs

WASH FROM LOSA 2

20

12-02

DIRECTOR- ATTENTION MR. ROSEN URGENT

BENJAMIN "BUGS" SIEGEL, MISC., INFO CONCERNING, CRIME SURVEY
REMYTEL SEPT. EIGHTEEN LAST. INVESTIGATION AT LAS VEGAS
REVEALS THAT AS SIEGEL PARKED HIS AUTOMOBILE IN FRONT OF LAST
FRONTIER HOTEL ON NIGHT OF SEPT. SEVENTEEN, VIRGINIA HILL
ACCIDENTALLY DEPRESSED ACCELERATOR CAUSING CAR TO LURCH FORWARD
IN BRINGING CAR UNDER CONTROL SIEGEL STRUCK HIS FACE ON STEERING
WHEEL. SUBJECT'S BROTHER, DR. MAURICE SIEGEL, REPORTS THAT
SUBJECT'S INJURY WAS ACTUALLY VERY SLIGHT BUT SUBJECT CONSIDER
ABLY EXAGGERATED THE INJURY.

OSTHOLTHOFF

SACK JLS

SEP 27 1946

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease

~~CONFIDENTIAL~~

F.B.I. TELETYPE

Mr. Tolson _____
 Mr. E. A. Tamm _____
 Mr. Clegg _____
 Mr. Glavin _____
 Mr. Ladd _____
 Mr. Nichols _____
 Mr. Rosen _____
 Mr. Tracy _____
 Mr. Carson _____
 Mr. Egan _____
 Mr. Gurnea _____
 Mr. Harbo _____
 Mr. Hendon _____
 Mr. Pennington _____
 Mr. Quinn Tamm _____
 Mr. Nease _____

WASH 1 FROM LOSA

DIRECTOR

ROUTINE

BENJAMIN BUGS SIEGEL, CRIME SURVEY. TECHNICAL SURVEILLANCE
 INSTALLED 4:00 P.M. INSTANT DATE ON TOLL PHONE AT 10814 WILSHIRE
 BOULEVARD LOS ANGELES, NUMBER ARIZONA 37031. THIS PHONE
 AT APARTMENT OF VIRGINIA HILL, COVERED AT CENTRAL PLANT.

HOOD

RECEIVED:

1:10 A.M. EST

NH

CLASSIFIED BY: *SP-6 JAH/BS*
 DECLASSIFY ON: *QADR*
10/30/95

ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 EXCEPT WHERE SHOWN
 OTHERWISE

RECORDED
 INDEXED

EX-29

~~CONFIDENTIAL~~



**Federal Bureau of Investigation
United States Department of Justice
Los Angeles 13, California
September 6, 1946**



IN REPLY, PLEASE REFER TO
FILE NO. 62-2837

~~PERSONAL AND CONFIDENTIAL~~

Director, FBI

Attention: Assistant Director A. ROSEN

DECLASSIFIED BY 607 MME/BB ON 10/27/85

BENJAMIN "BUGS" SIEGEL, with aliases-
MISCELLANEOUS; INFORMATION CONCERNING-
CRIME SURVEY

Dear Sir:

Reference is made to the report of Special Agent [redacted] dated August 20, 1946 at Los Angeles, in the above-captioned case.

On Page 7 of the referenced report information is set forth to the effect that [redacted] advised that on August 9, 1946 BEN SIEGEL had contacted MEYER LANSKY at New York City, telephone no. TElfalgar 7-6269. The conversation in general referred to the building of the Flamingo Hotel and the fact that SIEGEL had received a stop order from Washington. SIEGEL inquired of LANSKY as to whether he could get "that guy" to send [redacted] a car of beer. [redacted] LANSKY was interested in knowing what the beer was for and BEN stated he wanted to send it to [redacted] and [redacted] was to send it to "them." With reference to "them" it was thought to be the "fellows on the Commission." A lead was set forth in referenced report requesting that the New York Field Office endeavor to secure information regarding the shipment of one car of beer to [redacted] at the Nevada Beverage Company, Las Vegas. For the information of the Bureau and the New York Field Office, there is attached one copy each of the transcript of the telephone conversation had on August 9, 1946 between SIEGEL and LANSKY.

In addition to the above call, BEN SIEGEL on August 11, 1946 was reported by [redacted] to have placed a call to [redacted] at New York City. There is attached one copy of the transcript of the call between these individuals for the Bureau and the New York Field Office.

With reference to MEYER in the transcript, it is undoubtedly MEYER LANSKY. With reference to the name of [redacted] this is believed to be [redacted] mentioned in the above conversation is unknown to this office at the present time.

INDEXED

It is noted in the report of Special Agent [redacted] dated August 30, 1946, at New York, in the CAPA Case that SIEGEL, COSTELLO, ADONIS and LANSKY controlled the numbers racket in New York City in the same group with [redacted] who controls the numbers racket in Philadelphia. Also,

53 OCT 8 1946



bx

107

Director, FBI

September 6, 1946

Re: BENJAMIN "BUGS" SIEGEL, with aliases

it is reported that [REDACTED] stated in the report to be the notorious [REDACTED] well known in Philadelphia and New York, [REDACTED]

At this time it was not known to which number the call was made at New York to reach [REDACTED]

The New York Field Office is requested to endeavor to determine the identity of [REDACTED] to whom SIEGEL conversed on August 14, 1946. It is noted from the conversation that [REDACTED] is undoubtedly close to LANSKY as SIEGEL instructed him to explain to LANSKY regarding the wire and that \$12,000 had been sent. The New York Field Office is also requested to make every possible effort to secure further information with reference to the shipment of a carload of beer to [REDACTED] the Nevada Beverage Company, Las Vegas.

Very truly yours,

A. E. Ostholthoff
A. E. OSTHOLTHOFF

Enclosures-2

[REDACTED] b7c
62-2637

cc: New York (Encls.-2)

Los Angeles, California
August 12, 1946

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/30/93 BY SP-7 mcd

MEMO, SAC:

Re: BENJAMIN "BUGS" SIEGEL
MISCELLANEOUS; INFORMATION CONCERNING;
CRIME SURVEY

On August 9, 1946 at 3:30 p.m. BEN SIEGEL called MEYER LANSKY at Trafalgar 7-6269, New York City. The following conversation took place:

B. Well, I have been out on the G.D. property.

M. You've been there too?

B. Yeah, and I got to go back again. I should have busted a leg before I got into this thing. Every time I go I see something this did, you know; contracts he signed. Got an ice machine for eighteen thousand, makes 20 tons of ice a day, we need 2, needs four guys to make it. We'll sell ice. Gives you an idea of what is up there and the other day they took the license down. I don't hear.

M. That is what I told you a couple of weeks ago.

B. That is stuff he bought himself. He committed for the contract then we took it into our outfit. Now we are trying to sell it and get a smaller one. You never know what he was making until we look into those things. I build the plant, get the stuff, and everything and he is a partner and all he is is a lot of headaches. Yeah, got another headache. First thing I do when I go back the other day I go up....are you listening?

M. I'm listening.

B. So I go up for a hearing for the license so they take it under advisement. So I had to go up to get nine S of B to make an appearance. Bawled the J out of them, granted the license for liquor and gambling. Getting it Tuesday. I get the license, get a call from the C.I.A. in Washington an order to cease building immediately or they will indict us criminally. [REDACTED] they got an OK to go ahead right after you left a week ago.

M. Yeah.

B. All they got is a couple of stakes in the ground and they got an O.K. to build and they will start to build. See. He came to me about the proposition to go with him. It is something worth a \$1,000,000. They are building, you know a wooden shack.....We started in December, which

To [REDACTED]

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MEMO, SAC:

August 12, 1946

they had no jurisdiction over us. But in April when they asked us to come to Reno at a cost maybe of \$2,000, bring a lawyer, an architect, hire a plane. We came up and they give us an O.K. in writing and now they tell us this order supersedes their order of April 13, which is exactly 15 weeks ago. If we don't stop they will prosecute us criminally and what we called 'em while up there I wouldn't put in writing, and tell them to go ahead and send us to jail. We got two million here for the building and about another one and half million on the grounds and we got an O.K. from you. Why don't you wait until we get ready to put the windows in. So they give us a week to get us a hearing. They set the hearing now. I just got through, they set the hearing for Tuesday up in Frisco. If I blow it I got til Thursday and I got to quit working. Well, I'm not going to quit working, they can send me to jail. Those rats, G D. I'd like to know the guys...must be somebody. I think it comes from that G D thing with MOEY with that [REDACTED] b7c

M. All right, what is that to us? What do you want telling me about it?

B. Well, it don't mean anything. I think we got nothing to do, who the h cares who gets elected senator? We are not butting in, but I think he is the one who put the finger on us. I may.....I called [REDACTED] in Washington. He said to find out the name and call him back. He said it is a G.D. thing, who ever heard of a thing like that, just somebody trying to.....he gets burnt up. Somebody trying to shake, they will get the wook shook of their [REDACTED]. All right, what are you doing? Could be b7c

M. Nothing much.

B. I am going up to what you call it?

M. Frisco.

B. Yeah Frisco, maybe tomorrow.

M. I spoke to our friend. I don't think he will take it. He wanted to find somebody to go in with, but he himself could not handle any part of it. So don't bank on him or the other fellow. He couldn't handle none of it.

B. You mean [REDACTED] b7c

M. That's too much for him.

MEMO, SAC:

August 12, 1946

B. Don't he want anything of it?

M. Uh?

B. [REDACTED] don't he want any part of it.

M. No, his liquid position...

B. No, but it don't make any difference. I wanted to give him some part of it. If he wanted it. All right, then I'll take care of it.

M. O.K. Now what's his name, the manager?

B. Yeah.

M. You know.

B. Did you interview him?

M. What do you want me to see him about? Just to look him over for you?

B. Well, look him over. He's been recommended to [REDACTED] Was it explained to you?

M. I got the letter. It is very thorough.

B. Well, we are looking for a guy. Now we're not leaving it to him. You know what type of guy we want. See what he is, see what he looks like and everything.

M. All right.

B. He worked...now he claims he was a manager down at Havana, which place is that?

M. Well I don't know whether it was the Biltmore Country Club or the Biltmore Hotel.

B.. He claims he was in the Rooney Plaza.

M. If it was the Biltmore Hotel that was a pretty good place you know.

B. I know the Biltmore. I stopped there once. All right. Look, you interview that guy and what else did I want? Did you see [REDACTED] and check. Did he want that stuff?

M. Yeah.

MEMO, SAC

August 12, 1946

B. And now. [REDACTED] on the machines.

M. O.K.

B. [REDACTED]

M. Yeah.

B. Yeah and get...listen.

M. Yeah.

B. Can you get that guy to send a car of beer now? [REDACTED]

M. A what?

B. A car of beer.

M. What do you want beer now for?

B. Well, I tell you why we need a car of beer. There are two of these fellows on the commission. Do you understand? So I got to send it to [REDACTED] and want him to send it to them. So instead of him giving us two later, he will give us one. You got the name of the Company to send it?

M. Yeah, O.K.

B. Send it through to him, just for him to the Nevada Beverage. (Los Vegas)

M. Right.

B. The car of beer.

M. O.K.

B. When do you think you might be able to get it?

M. Well, I will try to get ahold of him.

B. What the H _____ else did I want you for? Did you try to get on that scotch?

M. O.K.

MEMO, SAC

August 12, 1946

B. Hold that up until I call you next week. As soon as I get through Tuesday I will call you. Where will you be?

M. I'll be around here.

B. I tell you what you do. Call me Wednesday at Las Vegas.

M. O.K.

B. And then I'll work that out myself, but if that [redacted] wants to take two and one-half. I want to keep five.

M. He don't want any of it.

B. And then the other guys when do you think they will let you know?

M. Don't depend on them.

B. Well, I got somebody, understand, but....

M. Give it to him because you know.

B. Yeah.

M. O.K. you handle it.

B. I don't hear.

M. This, it may be too long drawn out.

B. O.K. and you call me.

M. You know me I won't hold anything back, if I find out anything.

B. Well, If I got.....I got 2 or 3 weeks. I took the other 2½ for you *me*.

M. I wouldn't take any more for us, if I were near you.

B. Well, I just took that 2½. *With all this noise, who knows what might happen.*

S. Well, I had to give it all, I gave the dough two days ago. Now listen, if I get anything I will call you.

M. O.K.

62-2837

Los Angeles (18) California
August 15, 1946

9:17 P.M. on August 14, 1946 - BEN SIEGEL at Los Angeles, California called [REDACTED] at New York City and the following conversation took place:

S: Hello

[REDACTED]
Operator: Hello, sir are you [REDACTED]

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/30/85 BY SP-7/mc/bs

[REDACTED]
S: - Hello

[REDACTED]
S: How are you?

[REDACTED]
S: All right

[REDACTED]
S: Were you sleeping?

[REDACTED]
S: Just reading--where is the little guy?

[REDACTED]
S: I called him so the nitwit answered.

[REDACTED]
S: How is everything there?

[REDACTED]
S: Are they open?

[REDACTED]
S: You mean the old one?

[REDACTED]
S: Oh, I just got off an airplane.

62-2680-7

62c
114

[REDACTED]

S: Yeah.

[REDACTED]

S: We got to the favor.

[REDACTED]

S: Everything I got the license to for both, you know.

[REDACTED]

S: He bawled the h--- out of them, you understand. He was a Professor of Law that was the commissioner. He bawled the h--- out of them and he told us to proceed which we had never stopped according to the telegram and he told them if he could not show any other cause before September 5th just to drop it. Probably nothing because they have nothing.

[REDACTED]

S: Nothing, but then today we went up for our license, whiskey and gamble license. We got them both so you tell the old fellow that.

[REDACTED]

S: Yeah.

[REDACTED]

S: Listen you tell him to start getting that stuff that what's his name promised me - MOE's friend.

[REDACTED]

S: And [REDACTED] you know, out of the new and--

[REDACTED]

S: No, no, MEYER is supposed to take care of that.

[REDACTED]

S: And whatever [REDACTED] friend.

[REDACTED]

S: [REDACTED] you know

[REDACTED]

S: Then he was supposed to try to get some of that other stuff I was telling you about and then he was supposed to send that car of beer to the fellow I told him about. Whatever happened to your car?

[REDACTED]

S: All right.

[REDACTED]

S: Listen, tell him to call me when he comes.

[REDACTED]

S: Well, tell him to call me.

[REDACTED]

S: That's good.

[REDACTED]

S: Well, tell him to----- down there--

[REDACTED]

S: Tell him [REDACTED]

[REDACTED]

S: Well tell him to contact [REDACTED] or myself at the Last Frontier Hotel; we are both registered there.

[REDACTED]

S: O.K.

[REDACTED]

S: Yeah.

[REDACTED]

S: All right, now look--

[REDACTED]

S: Explain to MEYER that the wire has not arrived down there and we can never get anybody to find out what's what on it and we sent them a \$12,000 deposit. Now tell them to try to put in a call for me by Saturday or Sunday up to Vegas, eh?

[REDACTED]

S: Yeah, but explain that it was O.K. The license was O.K. The only thing we tried to get the people on the wire and we can't get them and we sent them a \$12,000 deposit and I want to know what's doing with it. O.K.?

[REDACTED]

S: Let him try me Sunday. Sunday on up. I will be there for a week. If I go up there I will be up there for a week, understand?

[REDACTED]

S: Nothing, I have been up in Frisco since Monday morning.

[REDACTED]

S: [REDACTED] was with me Sunday. I went up there Monday morning. [REDACTED] came up Tuesday afternoon and we just finished today.

[REDACTED]

S: Yeah, he called from my room.

[REDACTED]

S: Yeah.

[REDACTED]

S: Well, that's all right.

[REDACTED]

S: I don't hear.

[REDACTED]

S: The fifth.

[REDACTED]

S: Yeah.

[REDACTED]

S: No! We started one structure and it is the same structure. We haven't deviated from it. We filed our plans --- the first place as we told the Commissioner we don't come under him, we got plans from January 12, 1946 way before they ever enacted the law.

[REDACTED]

S: I said we had no business going up there and fourteen weeks ago on April 29th the C.P.A. Director of that territory with his office in Reno in writing gave us an O.K. to proceed. It didn't take them fourteen weeks to go in there and find out if we were doing anything wrong. Why didn't they too come in there and tell us.

[REDACTED]

S: They got an investigator that takes the stand and testifies he discussed this proposition with a timekeeper up there.

[REDACTED]

S: What's the h--- does a timekeeper know what we are doing. Why don't they go and see one of the owners. Why don't they go see the builders, the architect, the mechanical engineer or somebody.

[REDACTED]

S: Oh, you know it is just politics. There is a place right along side of us given an o.k. for 1-1/2 million dollar hotel. That joker---

[REDACTED]

S: Then we out building some--we started with our plans in November, 1945.

[REDACTED]

S: Yeah, a little further up, SINATRA and them are building one.

[REDACTED]

S: Yeah, going for 1-1/2 million and will cost him 2-1/2.

[REDACTED]

S: Yeah, there is plenty of material now. Enough to build ten more.

[REDACTED]

S: I know he got it.

[REDACTED]

S: About a week, I guess.

[REDACTED]

S: He will probably have to put it in tomorrow or next day. He will probably put it in Friday or Saturday. Because we are going to make a statement out for Monday, putting in the bank to get a loan.

[REDACTED]
S: Yeah.

[REDACTED]
S: Tell him to send it Air Mail Special, eh?

[REDACTED]
S: If he sends it Air Mail Special, I will get it before. I will tell you why I want to get it before. I want to show a statement.

[REDACTED]
S: Yeah.

[REDACTED]
S: Yeah.

[REDACTED]
S: O.K.

[REDACTED]
S: Yeah, and I will be in at the end of the month, I think. Or I might wait until September 5th if nothing comes up and I will come in for about a week.

[REDACTED]
S: They're fine.

[REDACTED]
S: Yeah.

[REDACTED]
S: Tell them to try to get that car of beer shipped out.

[REDACTED]
S: He knows about it. See if he can get it shipped out right away.
[REDACTED]

8: Say hello to everybody.

8: Goodbye.

b7c

120

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. E. A. TAMM

DATE: Sept. 19,
1946

FROM : R. A. Rosen

SUBJECT: BENJAMIN "BUGS" SIEGEL
MISCELLANEOUS - INFORMATION CONCERNING
CRIME SURVEY

PURPOSE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/30/95 BY SP-2 MRR/RS

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Gandy

REFERRED
BACKGROUND

Information was received from

COPIES DESTROYED
44 NOV 16 1964

62-81518-199

121

Memo for Mr. E. A. Tamm

INVESTIGATION CONDUCTED BY THE LOS ANGELES OFFICE

Upon receipt of information that possibly Siegel may be connected with the operation of narcotic traffic, the Los Angeles Office contacted the Narcotics Bureau in Los Angeles, California, at which time they informed that they, the Narcotics Bureau, had been investigating for a long period of time a nationwide narcotic conspiracy case covering individuals residing in Los Angeles, San Francisco, New York City, Reno, Nevada; Norfolk, Virginia; Richmond, Virginia; and Baltimore, Maryland. From the information developed as a result of their investigation there was no indication that "Bugs" Siegel was connected with any individual indicted by the Federal Grand Jury in Los Angeles, California.

RECOMMENDATION OF BUREAU REPRESENTATIVE

The Bureau's representative requested that the Bureau consider having an Agent of the Los Angeles Division who was acquainted with the activities of "Bugs" Siegel interview

RECOMMENDATION

In view of the fact that the investigation conducted by the Los Angeles Division and the Bureau's representative were conducted simultaneously, it is not believed necessary to have an Agent of the Los Angeles Division interview at this time. It is suggested, however, that the report covering the

Memo for Mr. E. A. Tamm

investigation of Siegel recently furnished by the Los Angeles Division be forwarded to the Bureau's representative [REDACTED] /

ACTION TO BE TAKEN

That the attached letter be forwarded to the Bureau's representative [REDACTED] requesting that a re-interview be conducted [REDACTED] and that the attached letter be directed to the Los Angeles Division requesting that they explore the possibility of involving Siegel with the operation of a narcotic ring. /

b7c
b7d

MR. E. A. TAMM

02410

September 18, 1946

A. Rosen

GAPCA

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

10/30/85 BY SP-7 mac/br

RECEIVED

To advise you that a technical surveillance has been main-
tained [redacted] who had advised [redacted] a close friend of
[redacted] Sigal, that Sigal was under constant investigation and surveillance.

[redacted] that he received information concerning Sigal through informants of a
well-known radio commentator, believed to be Drew Pearson.

BACKGROUND

29 RECORDED

62-81518-200

XXXXXX
XXXXXX
XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET

2 Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- ☒ Deleted under exemption(s) b7c with no segregable material available for release to you.
- ☐ Information pertained only to a third party with no reference to you or the subject of your request.
- ☐ Information pertained only to a third party. Your name is listed in the title only.
- ☐ Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

_____ Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

_____ Page(s) withheld for the following reason(s):

☐ For your information: _____

- ☒ The following number is to be used for reference regarding these pages:

62-81518-200 pgs 293

XXXXXX
XXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXX
X DELETED PAGE(S) X
X NO DUPLICATION FEE X
X FOR THIS PAGE X
XXXXXXXXXXXXXXXXXXXXX

Memorandum for Mr. E. A. Tamm

[REDACTED] b2

[REDACTED]

[REDACTED] b2

[REDACTED] b2

ACTION TAKEN

The information received from the technical [REDACTED] and specifically the information received as a result of the conversation [REDACTED] concerning the Ragen killing was furnished immediately to the Chicago Office for the attention of Assistant Director E. J. Connelley. The Washington Division has been directed to take immediate action covering information developed daily from the technical [REDACTED] b2

ACTION TO BE TAKEN

You will be advised of additional information received from the technical [REDACTED] b2c

FILE DESCRIPTION

BUREAU FILE

14x2
PT1

SUBJECT BUGSY SIEGEL

FILE NO. 62-81518

SECTION NO. 7

SERIALS 201

to

215

Federal Bureau of Investigation
United States Department of Justice
Los Angeles 13, California
September 9, 1945

~~PERSONAL AND CONFIDENTIAL~~

ms
Director

Re: BENJAMIN "BOGS" SIGGEL, with aliases
MISCELLANEOUS; INFORMATION CONCERNING -
CRIME SURVEY

DECLASSIFIED BY *SP-7 mcl*
ON *12/30/83*

Dear Sir:

[REDACTED]

b7D

[REDACTED]

b7D

[REDACTED]

HANDLED BY
STOP DESK

[REDACTED]

DEFERRED RECORDING

[REDACTED]



COPIES DESTROYED
44 NOV 20 1964

58 OCT 2 1946

RECORDED
&
INDEXED
337

EX-8

162-8151
32 27-16-20
b7c 128

L.A. 62-2837

September 9, 1946

Director

BERNARD J. BROS. SIBER, with aliases

[REDACTED]

Copy of this letter is being furnished to New York City in view of the fact that [REDACTED]

Efforts will be continued at Las Vegas to ascertain the identity of [REDACTED] making this call.

Very truly yours,

A. E. Ostholhoff
A. E. OSTHOLTHOFF

AEO
62-2837

AMSD

cc: Salt Lake City
New York City (AMSD)
2-Chicago (Attention: Assistant Director E. J. CONNELLEY)

COPY:FC

OFFICE MEMORANDUM - UNITED STATES GOVERNMENT

TO : Mr. E. A. Tamm

DATE: September 17, 1946

INITIALS ON ORIGINAL

FROM : Rosen

SUBJECT:

(INFORMATION OBTAINED FROM
OUR CONFIDENTIAL INFORMANT)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/30/83 BY SP-7 [signature]

BUGS SIEGEL

This is being called to your attention because it
refers to [redacted] You re-
ceived a call from [redacted] in Chicago.

[Large redacted block]

We are checking [redacted] to get his background.

AR [redacted]

RECORDED

62-81518-20
FBI
49 SEP 17 1946

56 NOV 6 - 1946

XXXXXX
XXXXXX
XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET

11 Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- ☒ Deleted under exemption(s) b7c b7d with no segregable material available for release to you.
- ☐ Information pertained only to a third party with no reference to you or the subject of your request.
- ☐ Information pertained only to a third party. Your name is listed in the title only.
- ☐ Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

_____ Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

_____ Page(s) withheld for the following reason(s):

☐ For your information: _____

- ☒ The following number is to be used for reference regarding these pages:

62-81518-203

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X NO DUPLICATION FEE X
X FOR THIS PAGE X
XXXXXXXXXXXXXXXXXXXXX

b7c

RECORDED

EX-66 62-81518 CU203

SECRET - AIR FORCE

of Investigation

SUBJECT: RICHARD W. "BOB" SYMEL
MISCELLANEOUS - INFORMATION CONCERNING
CRIME SURVEY

DECLASSIFIED BY 6037
ON 11/13

Reference is made to the report of [redacted] dated September 9, 1946, [redacted] in the case entitled "Inactivation of Capone Gang; Foreign - Miscellaneous" wherein you request to be furnished with information concerning subjects contained in reference report.

b7c
b7d

For your information, there is enclosed one copy of the report of Special Agent [redacted] dated August 20, 1946, at Los Angeles, California in the case entitled "Benjamin Siegal, was; Information Concerning Miscellaneous Crime Survey" which includes information concerning [redacted] b7C

670

It is desired that the information contained in the report of Special Agent [redacted] which is enclosed be thoroughly reviewed and that [redacted]

b2
b7

It is also requested that attention be afforded this matter and a report be submitted to the Bureau in the immediate future.

Enclosure 

00-313

By Mrs

bison _____
A. Tamm _____
Lester _____
avin _____
dd _____
chels _____
sen _____
acy _____
rson _____
an _____
rnea _____
rbc _____
lodon _____
wington _____
nr. Tamm _____
et _____
dy _____

~~CONFIDENTIAL~~ SECTION

MAILED

(This letter should be routed through Mr. Carson's Section before mailing.)

SEP 8 1946

FEDERAL BUREAU OF INVESTIGATION

~~CONFIDENTIAL~~

135

Mr. Rosen

CONFIDENTIAL

SAC, Los Angeles

September 20, 1946

Attention: A. E. Gathethoff

Director, FBI

BENJAMIN "BOON" SIEGEL

MISCELLANEOUS - INFORMATION CONCERNING

CRIME SURVEY

CLASSIFIED BY: 52
DECLASSIFY ON: 9488

RECORDED

62-87518-203

There is enclosed the copy of a report submitted by a representative of the Bureau covering an interview of [redacted]

It is noted that the information furnished as a result of the interview [redacted] is in conflict with the information furnished in the report of Special Agent [redacted] dated August 20, 1946, at Los Angeles, California, particularly as to Siegel's connection in the traffic of narcotics.

It is desired that you further explore the possibility of Siegel being connected with [redacted]

It is also desired that you endeavor to ascertain from the Bureau of Narcotics in Los Angeles the date of the trial of the thirty-four individuals recently indicted in Los Angeles in a nation-wide narcotic conspiracy in order that consideration may be given to having [redacted] re-interviewed concerning Siegel under pretext of developing additional information in connection with the case entitled [redacted] was, et al; First National Bank of Spark Hill, Spark Hill, New York, 2-8-35; Bank Robbery; National Motor Vehicle Theft Act.

If the information developed during your investigation in Los Angeles and the re-interview [redacted] warrants further contact in Mexico, you should advise the Bureau in order that instructions may be given to our civil attaché in Mexico to cover the inquiries desired.

Enclosure

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10-31-85 BY SP-7 [redacted]

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

COMMUNICATIONS SECTION
MAILED 12
SEP 28 1946 P
FEDERAL BUREAU OF INVESTIGATION

Handwritten signature and initials

Handwritten notes: 10-31-85, 4:52 PM

Handwritten number: 133

DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

SEP 27 1946

TELETYPE

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/30/95 BY SP-7 mab/bs

WASH FROM LOSA 2 -11-55 AM

DIRECTOR URGENT

BENJAMIN "BUGS" SIEGEL, MISC., INFO CONCERNING, CRIME SURVEY.

REFERENCE IS MADE TO NEW YORK TELETYPE TO THE BUREAU AND LOS

ANGELES SEPT. TWENTYTHIRD LAST FURNISHING INFO REGARDING

[REDACTED] AUTHORITY

REQUESTED TO PLACE SIXTY DAY MAIL COVER [REDACTED]

OSTHOLTHOFF

ACK PLS

OK - 60 days
per [REDACTED]
Wine to [REDACTED]
9-27-46

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

CC-150

To: COMMUNICATIONS SECTION. SEPTEMBER 27, 1946

URGENT

Transmit the following message to: SAC, LOS ANGELES

ATTENTION: A. E. GUNDELBERG

URGENT FROM BUREAU, MISCELLANEOUS, INFORMATION CONCERNING, CRIME SURVEY.

URGENT INSTANT DATE REQUESTING BUREAU AUTHORITY TO PLACE MAIL COVER ON

AUTHORITY TO PLACE SIXTY DAY MAIL COVER ON THIS INDIVIDUAL HEREBY GRANTED.

DOOVER

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/30/83 BY SP-7 mac/103

COPIES DESTROYED

44 NOV 20 1964

FEDERAL BUREAU OF INVESTIGATION
U S DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

SEP 27 1946

TELEMETER

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

52 SENT VIA

1946

10-10 PM

Per

[Signature]

135

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. E. A. Tamm

DATE: 9-27-46

FROM : R. A. ROSEN

SUBJECT: BENJAMIN "BUGS" SIEGEL
FLAMINGO HOTEL PHASE OF THE CASEALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/30/95 BY SP-1 mas/ba

Mr. Tolson	
Mr. E. A. Tamm	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Carson	
Mr. Harbo	
Mr. Hendon	
Mr. Pennington	
Mr. Quinn Tamm	
Tele. Room	
Mr. Nease	
Miss Gandy	

PURPOSE

To advise you of the interviews contemplated for September 30, 1946 in connection with the investigation of the fraud angle of this matter.

INTERVIEWS CONTEMPLATED

The Bureau, by teletype, has instructed the Los Angeles Division to vigorously pursue the investigation concerning a possible Fraud violation in connection with the construction of the Flamingo Hotel.

The Los Angeles Office, by teletype of September 25, 1946 advised that in addition to [REDACTED] it is contemplated that the following will be interviewed on September 30, 1946 in an effort to develop a Fraud Against the Government violation.

[REDACTED] of the Del Webb Construction Company
Moe Sedway

Benjamin Siegel

12-8-1518-206
F B I

These interviews will be handled simultaneously and, since a possible Fraud Against the Government matter is involved, statements will be taken under oath.

ACTION TO BE TAKEN

You will be promptly advised when further pertinent information is received.

Memorandum
9-30-46
1946

Federal Bureau of Investigation
United States Department of Justice
Los Angeles (13) California
September 17, 1946

Director, FBI

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/30/85 BY 9-7000/100

Re: BENJAMIN "BUGS" SIEGEL
MISCELLANEOUS; INFORMATION CONCERNING
CRIME SURVEY

Dear Sir:

On September 16, 1946 [redacted] a strict
C.P.A., Los Angeles, advised Special Agent [redacted]
confidence that he attended the C.P.A. Hearing in San Francisco, California
on September 12, 1946, which was held to determine whether a freeze
order should be placed against the construction of the Flamingo Hotel
in Las Vegas, Nevada. [redacted] stated that the SIEGEL interests placed their
Architect [redacted] on the stand. [redacted] stated that the Government witnesses
included a [redacted] who was formerly connected with the War Production
Board, and who was definitely of the opinion that a freeze order should
be placed on the Flamingo; [redacted] C.P.A. Construction Division;
and, a San Francisco Architect by the name of [redacted] (Phonetic), who was
selected by and represented [redacted] at the hearing.

Continuing, [redacted] stated that the construction plans for the
Flamingo Hotel, which were introduced in evidence, consisted of the
original blue prints for the casino building only and that these plans
had been submitted prior to the original freeze order and appeared to be
regular and authentic. In addition to the original plans for the casino,
the respondents introduced a plot plan which was merely an architect's
sketch showing that the completed hotel would consist of one building
in the shape of a horseshoe. The informant is of the opinion that the
cancellation of the original freeze order by C.P.A. which permitted respondents
to expend over \$1,000,000 before the matter was again brought up for hear-
ing was the controlling factor in the Commissioner's decision to allow
the construction to continue.

EX-6 RECORDED

62-81518-207



9. 56 OCT 4 1946

Director, FBI

September 17, 1946

Re: BENJAMIN "BUGS" SIEGEL

[REDACTED]

Very truly yours,

A. E. Ostholthoff

A. E. OSTHOLTHOFF

[REDACTED]
62-2837

AIR MAIL SPECIAL DELIVERY

Federal Bureau of Investigation
United States Department of Justice
Los Angeles (13) California
September 17, 1946

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/2/85 BY SP-7 H. [redacted]

Attention: ASSISTANT DIRECTOR ROSEN

Re: BENJAMIN "BUGS" SIEGEL
MISCELLANEOUS; INFORMATION CONCERNING
CRIME SURVEY

Dear Sir:

SIEGEL'S ALLEGED CONNECTIONS IN NARCOTIC TRAFFIC
BETWEEN THE U.S. AND MEXICO

Reference is made to the report of Special Agent A. E. OSTHOLTHOFF,
Los Angeles, dated August 7, 1946 in the above-captioned case wherein
on Page 49 is set out information [redacted]

Reference is also made to the report of Special Agent
Los Angeles, dated August 20, 1946, in the above case,
Page 32 which sets out [redacted]

62-81518-208

50 10 12 11

711 1946
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62-81518-208

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Mr. Gandy

~~CONFIDENTIAL~~

Director, FBI

September 27, 1948

Re: [REDACTED]

CONFIDENTIAL

[REDACTED]

[REDACTED]

W. C. Clegg

~~CONFIDENTIAL~~

Federal Bureau of Investigation
United States Department of Justice
Los Angeles (13) California
September 16, 1946

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Mr. Gandy

Director, FBI

~~PERSONAL AND CONFIDENTIAL~~

Attention: Assistant Director A. ROSEN

Re: BENJAMIN "BUGS" SIEGEL
MISCELLANEOUS, INFORMATION CONCERNING
CRIME SURVEY

*This is in response
to Mr. Rosen's
request*

Dear Sir:

DECLASSIFIED BY SP-7 mac/103
ON 10/30/85

There is attached hereto a memorandum setting forth an outline of proposed investigation concerning the possible Fraud Against the Government violation in connection with the construction of the Flamingo Hotel at Las Vegas, Nevada.

It is true that this matter has been investigated by the Civilian Production Administration and has been gone into at length before a C.P.A. Commissioner, who ruled in favor of SIEGEL and his associates, which makes it difficult to prove the case at this time. However, any case against SIEGEL will be difficult to prove in view of his past experience and present ability to secure legal counsel.

HANDLED BY
STOP DESK

Our problem of proof will be different then the C.P.A. Case and more difficult. The C.P.A. attempted to prove that there were two or more buildings being constructed on the Flamingo Hotel project. We must go beyond that and find witnesses who will testify that SIEGEL and the latter's associates knew that and conspired to misrepresent the facts to the Government.

ENCL

I do not believe that the principle "res adjudicata" will apply to this matter since the proceedings before the C.P.A. Commissioner are apparently always subject to review by the courts. It is suggested, however, that this matter be discussed with the Department.

*Handled by
Mr. Rosen*

While it is realized that a violation, if it exists, is a technical violation of an administrative order, at the present time it represents the only violation which we have developed to date over which this Bureau has jurisdiction.

RECORDED
INDEXED
50,628,578-209

This investigation, if conducted, would show the interest of the F.B.I. in SIEGEL's activities, but it is not believed that this will necessarily prevent investigation of SIEGEL's general activities from going forward since it is quite possible that he will believe that our interest



1 cc [redacted] b2
9-19-46
4-20-46
143

Director, FBI

September 16, 1946

Re: BENJAMIN PERES & SINGEL

in film is confined to the Flamingo Hotel project in view of the C.P.A. interest in the matter.

No open investigation in this matter will be undertaken until advice is received from the Bureau.

Very truly yours,

A. E. Ostholhoff
A. E. OSTHOLTHOFF

b7c
AEO
62-2857

AIR MAIL SPECIAL DELIVERY

Encl. (2)

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SECRET

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 11/30/75 BY SP-7 mxt/ma

POSSIBLE VIOLATION IN CONNECTION WITH
THE CONSTRUCTION OF THE FLAMINGO HOTEL

Investigation of this matter will be undertaken to determine if there is a violation in Section 80, Title 18, which is the General Fraud Statute. The theory of the violation is that [REDACTED]

[REDACTED] made a false statement to [REDACTED] Construction Division of the Civilian Production Administration at Reno, Nevada on April 29, 1946 when he stated both verbally and in writing that the Flamingo Hotel Project consisted of only one building, construction of which was commenced prior to March 26, 1946, the date on which all non-essential building was ordered stopped by the Civilian Production Administration. b2

The purpose of this investigation would be, first, to prove a criminal violation [REDACTED] and a possible conspiracy on the part of others which would include subject BENJAMIN SIEGEL. The second purpose of the investigation would be to re-open this matter under the Civilian Production Administration regulations and to cause an order to be issued which would stop further construction of the Flamingo Hotel. It should be noted that SIEGEL is reported to have a considerable investment in this project and [REDACTED] that the income from the Flamingo Hotel and Casino will amount to \$2,000,000 per year. Third, an open investigation of this matter whether or not it results in stoppage of construction by Government order would probably prevent SIEGEL and his associates from securing loans from legitimate sources for the completion of this construction. It has been noted that SIEGEL and his associates have experienced considerable difficulty in arranging loans with banks and insurance companies in California and Utah due to the fact that an investigation was being conducted of the Flamingo Hotel on the part of the Civilian Production Administration. The fourth purpose of this investigation would be to give us an opportunity to thoroughly examine the financing of the Flamingo Hotel which may show that SIEGEL has placed into this project more funds than he has accounted for to the Internal Revenue. It also may show that [REDACTED] has placed into this project more funds than he has accounted for. It may well be that only in investigating this matter on a Fraud Against the Government angle will we ever be able to inquire into SIEGEL's finances which are an important part of the general investigation of SIEGEL's activities. b2 b7c b7d

The Civilian Production Administration brought its action to stop construction of the Flamingo Hotel under Civilian Production Administration Order No. VHP-1, dated March 26, 1946, which states, "In order to carry out the Veterans Emergency Housing Program this order forbids the beginning of

ENCLOSURE

62-5155-145

construction and repair work on buildings and certain other structures without specific authorization under Paragraph (h) of the order...." The order further provides "To 'begin' work on a structure means to incorporate into a structure on the site materials which are to be an integral part of the structure in question. Demolition, excavation and similar site preparations do not constitute beginning construction. The order does not apply to work which was begun before March 26, 1946 and which was being carried on on that date and which is carried on normally after that date. However, this rule only applies to the particular building or other structure begun before March 26, 1946. It does not apply to any other building or structure which had not itself been begun by that date even though the two are closely related."

The Flamingo Hotel is located approximately six miles outside the city limits of Las Vegas, Nevada. The facts concerning the construction of this project as they have been developed to date by F.B.I. investigation and C.P.A. investigation are briefly summarized as follows:

On December 12, 1945 Permit No. 112 was issued by the Clark County Building Inspector to [REDACTED]

[REDACTED] This permit was for the laying of foundations on the Alhoa Tract, South Fifth Street, Highway 91, cost \$5,000, foundations for six buildings. This is undoubtedly for the foundations for the six barracks buildings appearing on the right side of the plot plan [REDACTED] dated January 12, 1946. b7c

On January 12, 1946 Permit No. 139 was issued by the Clark County Building Inspector to [REDACTED] b7c

[REDACTED] for "remodel dormitories" Los Angeles Highway, cost \$12,000. This again refers to the barracks appearing on the right side of the plot plan referred to above.

On January 22, 1946 Permit No. 140 was issued by the Clark County Building Inspector [REDACTED] for "building of casino and restaurant" on Los Angeles Highway, cost \$150,000. b7c

[REDACTED] has advised that originally [REDACTED] build a one-story building containing a casino, restaurant and offices. [REDACTED]

Plans [REDACTED] show only one building and the hotel does not appear on this plan. [REDACTED] b7c b7d

[REDACTED]

On March 26, 1946 VHP-1 was issued by the Civilian Production Administration which in effect stopped all except residential construction.

On April 23, 1946, a telegram was sent by the Civilian Production Administration at San Francisco to the DEL WEBB CONSTRUCTION COMPANY, [REDACTED] and GREENBAUM ordering them to stop construction of the Flamingo Hotel. April 29, 1946, [REDACTED] GREENBAUM and [REDACTED] went to [REDACTED] C.P.A. Construction Division at Reno, Nevada. [REDACTED] represented to [REDACTED] that the project was one building and in support of that contention produced for [REDACTED] inspection a blue print, dated January 12, 1946, prepared by [REDACTED]. Based upon [REDACTED] representations, [REDACTED] wrote a letter [REDACTED] advising that since this construction began before March 26th, there would be no need for him to file an application for permission to continue with the construction.

A transcript of a hearing before C.P.A. Commissioner [REDACTED] at San Francisco, August 13th and 14th, 1946, shows the following testimony furnished by [REDACTED] of the C.P.A. The DEL WEBB CONSTRUCTION records on the Flamingo Hotel project show that the DEL WEBB men arrived on the project March 21, 1946. Excavation was started March 25, 1946; April 11, 1946 poured some concrete footings. There appears to be no doubt, and the point was not contested before the C.P.A. Commissioner, that construction on the hotel building was commenced after the C.P.A. Freeze Order of March 26th.

INVESTIGATION TO BE CONDUCTED

In order to prove a violation of Section 80, Title 18, it will be necessary to show that [REDACTED] made a deliberate misrepresentation to

[redacted] in other words, we must prove intent on the part [redacted] We must also prove that there was a conspiracy by others concerned in the construction of the Flamingo Hotel to misrepresent the facts [redacted] It should be noted that the first stop order was issued by the C.P.A. April 23, 1946, but it was not until April 29, 1946 that [redacted] appeared before [redacted] at Reno. We must determine what took place at conferences between [redacted] SIEGEL, [redacted] etc. in the intervening time. While there appears at this point to be no doubt that two or more buildings are being constructed on the Flamingo Hotel Project, we must prove not only that but also must prove that [redacted] was aware of that and the other persons involved were aware of that, but still agreed to misrepresent the facts to [redacted]

b7c

It will be necessary in order to fully determine the facts of this (1) matter to interview the following individuals:

[redacted] Las Vegas, Nevada. This man testified before the C.P.A. Commissioner at San Francisco and also drew the plan which [redacted] presented to [redacted] in substantiation of his statement that the Flamingo Hotel was one building. He was undoubtedly involved in any consultations held [redacted] with SIEGEL, [redacted]

b7c

GUS GREENBAUM, Las Vegas, Nevada. GREENBAUM was considered by the C.P.A. to be one of the builders of the Flamingo Hotel and on the public records was listed as such. We know that actually he has nothing to do with the hotel, but is a figure head representing SIEGEL. It will be necessary to interview him to determine what conferences were held before [redacted] presented this matter to [redacted] It is also possible that GREENBAUM will furnish us with other information concerning SIEGEL's activities in view of indications that he is tired of SIEGEL's domination.

b7c

[redacted] Las Vegas, Nevada, as the principal involved in making any false statements [redacted] will naturally have to be interviewed.

b7c

[redacted] Del Webb Construction Company, Las Vegas, Nevada. This man [redacted] of the construction of the Flamingo Hotel and testified before C.P.A. Commissioner at San Francisco.

b7c

There will undoubtedly be other individuals who will be interviewed as determined by the interviews with the individuals set out above. The records of the Del Webb Construction Company will have to be examined in order to trace, if possible, the funds that have gone into the construction of the Flamingo Hotel. Eventually we would interview SIEGEL, [redacted]

b7c

OBJECTION TO PROSECUTION OF THIS MATTER

It might be pointed out in connection with the prosecution of this matter that the Civilian Production Administration did on April 29, 1946

furnish to [REDACTED] on behalf of the builders of the Flamingo Hotel a letter, stating in effect that they could proceed with construction and that as a result of this letter these people have invested a large sum of money in this project. That objection would be answered by showing that the statement made [REDACTED] was false and that the "permission" granted was based on the false representation [REDACTED]. In so far as the objection that these individuals have invested a large sum of money is concerned, that can be answered by pointing out that BENJAMIN "BUGS" SIEGEL has never engaged in honest toil and that [REDACTED] in so far as present information shows does not legitimately have available the large sum of money so far spent in the construction of the Flamingo Hotel. b2

INDICATIONS OF GUILT WHICH ARE NOT EVIDENCE

[REDACTED] after the C.P.A. hearing at San Francisco August 13 and 14, 1946 [REDACTED] b2

[REDACTED] after the C.P.A. hearing at San Francisco discussed with [REDACTED] in the hotel room at the Saint Francis Hotel at San Francisco the possibility that perjury had been committed before the C.P.A. Commissioner. b2

Before the C.P.A. hearing on August 13 and 14, 1946 SIEGEL was in touch with [REDACTED] to see if [REDACTED] could "get to" [REDACTED] the Commissioner, who was to hear this matter. This would appear to be unnecessary if SIEGEL and his associates had not violated the C.P.A. regulations. b2

On August 22, 1946 [REDACTED] discussed with [REDACTED] a proposed loan of \$500,000.00 on the Flamingo Hotel. During his conversation [REDACTED] stated, "We have a single-story building of lattice steel of approximately 35,000 square feet which houses the restaurant, bar kitchen and casino. The cost of this is estimated at \$420,000.00 exclusive of furnishings." Later in the same conversation, [REDACTED] said, "Then we have a three-story and penthouse hotel building, 100 rooms of 55,000 square feet of re-enforced concrete. That building is going to cost us approximately \$770,000.00 without any furnishings". b2

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. E. A. Tamm
FROM : R. A. Rosen
SUBJECT: BENJAMIN "BUGS" SIEGEL
X (FLAMINGO HOTEL PHASE OF THE CASE)

DATE: September 20, 1946

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 11/30/85 BY SP-7msz/bk

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

We have just received a memorandum from the Los Angeles Office concerning the developments to date in the Flamingo Hotel project. It is recalled Siegel and associates have completed their hearing before [redacted] of the CPA and have been allowed to proceed with the construction of the hotel at Las Vegas, Nevada.

At the present time, we are awaiting a transcript of the testimony taken at the hearing. It is to be completed, according to information received yesterday, on or about September 25, 1946. Of course, until the transcript is made available, no active investigation can be conducted.

IMMEDIATE QUESTION

Pursuant to the Bureau's instructions, plans are being formulated for the procedure to be followed in connection with the investigation so we can proceed just as soon as the record is made available. In accordance with this plan, there is attached hereto a memorandum received from Ostholtzoff at Los Angeles, outlining a proposed procedure.

We have reviewed the memorandum very carefully and certain steps appear necessary before they will be able to proceed with sufficient assurance to make a case stick.

RECOMMENDATION

It is, therefore, recommended that we instruct the Los Angeles Office to proceed along the lines indicated in the attached memorandum with the following additions:

1. All witnesses should be placed under oath as this investigation is one concerning a fraud against the Government.
2. Consideration has been given to the method of conducting the interviews. It is suggested that all of the main subjects and main potential witnesses should be interviewed simultaneously in order to prevent subsequent collusion.
3. As all of the subjects are to be interviewed simultaneously, instructions should be given to immediately brief all Agents who will conduct the interviews.
4. Squads should be organized for each interview. At least two Agents should be on each squad.

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5. The interviews should be reduced to writing and signed statements obtained from the potential subjects.

6. Each squad should be fully fortified with complete information so that an exhaustive interview will be made. ✓

7. As these interviews will be simultaneous and as they are based upon a specific violation, i.e., Fraud Against the Government, ✓ all inquiries with the main subjects and potential witnesses and subjects should be on an open inquiry basis.

Inasmuch as we cannot proceed as indicated above with the all out investigation until September 25th, it is intended that these instructions will be transmitted to the Los Angeles Office immediately in the event you approve of the procedure outlined above.

Attachment